

ENTERPRISE RESOURCE PLANNING CASE STUDY

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A PROVEN AND THOROUGH SOFTWARE SELECTION APPROACH SETS THE COURSE FOR SCALABLE GROWTH, OPERATIONAL EXCELLENCE AND COST REDUCTION.

To gain efficiencies from the private equity acquisition of two aerospace manufacturers, the holding company sought to replace the companies' legacy systems with one enterprise resource planning (ERP) system that would support rapid business growth, add new capabilities, and reduce operating costs. Working with West Monroe Partners, the client efficiently achieved consensus on the right system to meet its diverse business needs.

THE CLIENT.

The client consists of two leading manufacturers of high precision machine parts, complex assemblies and replacement parts for corporate, regional, commercial, and defense aircraft. Together, the two businesses represent a highly trusted aerospace supplier with significant scale and strong projected growth from \$200-400 million.

A SINGLE ERP SYSTEM TO SUPPORT GROWTH GOALS.

The client sought to replace the companies' disparate and home-grown legacy systems with a single enterprise resource planning (ERP) system that would:

- ◆ Establish master production scheduling and materials requirements planning capabilities that did not exist in the companies' existing systems
- ◆ Increase visibility of and better manage purchasing, manufacturing, capital expenditures, sub-contract operations, and assembly for parts and raw materials with long lead times
- ◆ Synergize the two companies through the creation of common operating processes and performance measurements
- ◆ Consolidate financial reporting across the organizations
- ◆ Reduce overall operating costs

FROM BUSINESS REQUIREMENTS TO VENDOR EVALUATION TO SELECTION—IN LESS THAN THREE MONTHS.

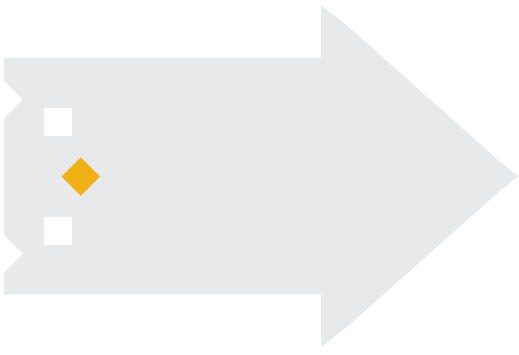
For assistance, the client turned to West Monroe Partners, which had performed IT due diligence and business process assessment work in conjunction with the acquisitions. West Monroe Partners brought substantial ERP software selection and implementation

experience, including team members with experience in complex, multi-site manufacturing and assembly environments. West Monroe Partners also offered advanced planning and scheduling experience with specific knowledge of the aerospace and defense industry.

A thorough and proven process for the software selection, distilled across hundreds of similar projects, incorporated a high degree of organizational involvement to achieve buy-in and an appropriate fit with business needs. The four-phased software selection approach included:

Alignment. West Monroe Partners first collaborated with the project sponsor and steering committee to define selection knockout criteria and obtain project charter sign-off. The project team then reviewed both companies' business processes, including order to cash, procure to pay, plan to produce, recruit to retire, and plan to action. It also worked with the companies' business leaders to define future-state business requirements and identify synergies, and it utilized the team's ERP software vendor and aerospace expertise to conduct extensive research on potential software vendors.

Definition. During this phase, West Monroe Partners worked with several software vendors to facilitate an understanding of the client's system requirements. The project team prepared a demonstration script and gathered sample data from the two companies' operations. Finally, the team created a vendor scorecard, held vendor interviews, and conducted a plant tour.



Evaluation. West Monroe Partners prepared the client participants for the ERP vendor demonstrations, facilitated demonstrations, and worked with client executives to grade the finalists. Additionally, the project team constructed initial deployment (both software and hardware) and ongoing operating costs over a three-year period, enabling the client to make an “apples-to-apples” comparison of the total cost of ownership (TCO) for each of the software vendors.

Negotiation. West Monroe Partners provided advisory services to the client in order to negotiate pricing and finalize contracts with the selected ERP software vendor. The project team also created an implementation strategy and work plan that includes tasks, time lines, and team roles and responsibilities.

A SYSTEM TO SUPPORT FUTURE GROWTH REQUIREMENTS.

With expanding commercial fleets in Asia (and globally), growing demand and affordability of business jets, aging commercial airline fleets, and original equipment manufacturers outsourcing to a smaller group of trusted partners aerospace suppliers must be able to support demanding production schedules, stringent quality requirements, and sustainable growth.

Through its work with West Monroe Partners, the client is well positioned with leading practices that support its future growth requirements.

- West Monroe Partners is an international, full-service business and technology consulting firm focused on guiding organizations through projects that fundamentally transform their business. With the experience to create the most ambitious visions as well as the skills to implement the smallest details of our clients’ most critical projects, West Monroe Partners is a proven provider of growth and efficiency to large enterprises, as well as more nimble middle-market organizations. Our more than 300 consulting professionals drive better business results by harnessing our collective experience across a range of industries, serving clients out of offices across the United States and Canada.
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